

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF JACKSON COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR A)	
CERTIFICATE OF CONVENIENCE AND NECESSITY)	CASE NO.
PURSUANT TO KRS 278.020(1) AND 808 KAR 5:001,)	96-199
SECTION 9, AND RELATED SECTIONS, AUTHORIZING)	
CERTAIN PROPOSED CONSTRUCTION AND)	
ASSOCIATED CAPITAL OUTLAY)	

I N T E R I M O R D E R

Jackson County Rural Electric Cooperative Corporation ("Jackson County") filed its application on May 29, 1996 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$5,406,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"), and to execute its notes to secure such loan. In support of its application, Jackson County filed its 1996-1998 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 3 years to serve its load.

Jackson County seeks authorization to construct extensions and additions to its plant as follows:

Distribution Facilities	\$ 6,998,270
New Service Extensions	9,502,200
Increased Service Capacity to	
Existing Consumers	670,750
New Security Light Installations	598,500
Pole Replacement	<u>250,000</u>
 TOTAL	 <u>\$18,019,720</u>

The proposed construction will enable Jackson County to continue to provide adequate and dependable electric service to its consumers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Jackson County indicated that it planned to borrow all necessary funds from the Rural Utilities Service ("RUS") and the CFC. Jackson County's application with RUS and CFC is pending.

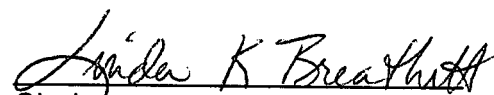
Based on the application and supporting 1996-1998 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by Jackson County are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

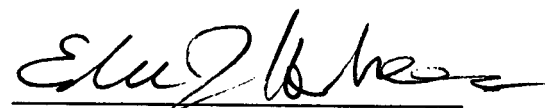
IT IS THEREFORE ORDERED that:

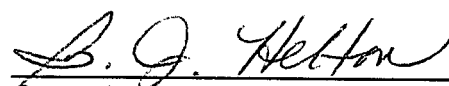
1. Jackson County is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1996-1998 Work Plan.
2. Jackson County's application for authorization to borrow \$5,406,000 from the CFC and to execute notes to secure each loan is continued generally.
3. Within 10 days of its receipt of final loan approval, Jackson County shall notify the Commission in writing of the final loan approvals received from the RUS and CFC.

Done at Frankfort, Kentucky, this 10th day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director